

NATIONAL CANNERS ASSOCIATION

Information Letter

FOR N. C. A. MEMBERS

No. 265

Washington, D. C.

July 7, 1928

CONTENTS

	Page		Page
Government issues grades for canned products	1045	Carbohydrate content of water-packed foods for diabetic patients	1052
Weather and crops	1046	Rate complaint filed	1053
Wisconsin pea crop	1046	Prices of farm products	1053
Business conditions	1046	Semi-annual index of Information Letter	1053
Wholesale and retail trade in May	1047	Foreign trade notes	1053
Truck crop markets	1048	Publications noted	1054
Peaches in 1928	1049	Poor cherry crop in Naples, Italy	1055
Suggestions on packing red sour cherries	1052	United Kingdom canned foods market	1055
		Fruit canning in Australia	1056

Government Issues Grades for Canned Products

Tentative standards for canned tomatoes, corn and peas have been issued by the U. S. Department of Agriculture under the provisions of the U. S. Warehouse Act.

The immediate necessity for grades arose in connection with the administration of the United States Warehouse Act by the Department of Agriculture. In order that warehouse receipts issued under authority of the United States Warehouse Act may be of utmost value to canners desiring to finance with this form of collateral, it is necessary that the grades of the products stored under the Warehouse Act be carefully determined and thereafter stated on the warehouse receipts, so that the true value of the goods may be readily ascertained by the loaning agency.

The adoption of new nomenclature for each grade has been suggested, using an alphabetical system coupled with the letters "U. S." preceding the letter designation. For example, a fancy or first-grade product would be designated "U. S. Grade A." In the grades suggested by the Department of Agriculture the score-card principle has been incorporated, with a view to making the grades as simple and as easily understood as possible.

It is not necessary for a canner to ask permission of the Department to use these designations on labels, but they should be sure that the products meet the grade requirements of the grade claimed.

Copies of these tentative standards have been sent out by the Department to canners, wholesale grocers and other large buyers of canned foods. They can be secured by addressing the Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D. C.

Weather and Crops

Subnormal temperature and continued showers, some of which were excessive, over the greater portion of the country east of the Rocky Mountains the first half of the week resulted in further delay in field work, but the change to fair and warmer the latter part brought a decided improvement, according to the U. S. Weather Bureau report for the week ending July 3. Complaints of interruption to harvest and cultivation of corn were especially numerous in the interior valleys where June was very wet in many places, with the rainfall the heaviest of record for that month in some districts. This has resulted in weedy fields from lack of cultivation, and lowlands have been frequently flooded.

Cultivation was resumed the latter part of the week, though on many bottom lands the soil continued too wet for work up to the close. Harvest is now making good progress, but continued dry weather is needed for this work and cultivation over most of the central and eastern portions of the country. In the South mostly light rainfall and moderate temperatures were favorable, except for too hot and dry in parts of the Southwest. Further rains were beneficial in the Northwest, and mostly favorable conditions prevailed west of the Rocky Mountains.

Wisconsin Pea Crop

According to a report of the Wisconsin State Statistician dated July 5, actual pea acreage is 96,000 acres, as compared with intended acreage on March 1 of 101,000 acres.

Business Conditions

The dollar volume of business during the week ended June 30, as reflected by data covering check payments, was greater than a year ago, but showed a decline from the preceding week, according to the weekly statement of the Department of Commerce. Wholesale prices, as reflected by the general index, showed a gain over both the preceding week and the same week of last year.

Loans and discounts of Federal Reserve member banks were lower than in the previous week, but higher than a year ago.

Loans to brokers and dealers by Federal Reserve member banks in New York City showed a substantial reduction from the previous week, but were higher than a year ago. Interest rates on both time and call funds averaged higher than in either prior period. Business failures were less numerous than in either the preceding week or the corresponding week of 1927.

CAR LOADINGS

	Total	Miscellaneous	Merchandise and L.C.L.	Other
Week ended June 23	986,789	385,344	356,383	345,062
Preceding week	1,005,292	398,472	359,233	345,587
Corresponding week, 1927	1,018,040	392,508	357,646	367,886
Corresponding week, 1926	1,055,362	391,520	357,274	406,568

Wholesale and Retail Trade in May

The volume of wholesale trade was larger in May than in April, and the Federal Reserve Board's index of wholesale distribution in nine leading lines showed increases from the low point of the year in April, to slightly below the high point of the year, which was reached in February. As compared with May last year the volume of merchandise sold by all wholesale firms reporting to the Federal Reserve System increased about 1 per cent. Sales of groceries were 8.9 per cent larger than in April, and 1.5 per cent larger than in May last year.

Merchandise inventories held by wholesale firms at the end of May were lower than in April in all lines except furniture. Changes in the sales and stocks of wholesale grocers, by districts, are shown in the following table, figures indicating percentage increase or decrease.

Line and Federal Reserve District	Sales: May, 1928, compared with—		Stocks: May, 1928, compared with—	
	April, 1928	May, 1927	April, 1928	May, 1927
Groceries				
United States	8.9	1.5	-3.0	-1.9
Boston	16.8	4.9	-2.9	-8.7
New York	6.3	-1.8	-6.4	0.7
Philadelphia	14.1	2.3	-4.3	0.7
Cleveland	12.0	7.2	-6.7	1.5
Richmond	9.9	4.5	-2.9	0.3
Atlanta	7.2	-8.6	-6.7	-11.7
Chicago	12.5	-1.5	-0.4	-6.6
St. Louis	6.2	-5.0	-6.5	2.8
Minneapolis	8.0	2.0	0.0	-2.0
Kansas City	8.2	2.4	-1.3	10.4
Dallas	3.3	9.0	-6.3	8.2
San Francisco	3.9	2.4	-4.2	-18.0

Retail trade in May, following the decline in April increased by slightly more than the usual seasonal amount. Compared with a year ago sales of all types of retail firms showed an increase. Sales of grocery chain stores in May showed an increase

of 24.6 per cent as compared with May last year. This percentage is based on reports from 28,925 stores in 1928, and 28,276 stores in 1927.

Truck Crop Markets

For the week ended June 30, combined carlot shipments of 30 leading fruits and vegetables decreased slightly to 20,890 cars, according to the Market News Service of the U. S. Department of Agriculture. The decrease is accounted for by lighter forwardings of tomatoes, potatoes, cabbage and strawberries. Most other products registered gains.

Summer apples are becoming more plentiful in city markets; last week's movement of 175 cars being five times the volume of the preceding week, and greater than last June's corresponding figures. Illinois furnished more than half the total, followed in order by California, Tennessee, Georgia and Arkansas.

Movement of Georgia peaches increased to 570 cars, while the Carolinas shipped 40 and Alabama 50 cars. Last season Florida and Mississippi reported no carlot movement of this fruit, but Florida began last week with 3 cars, and Mississippi with 8 cars. Demand was improving, and prices of good fruit were fairly well sustained.

Movement of California pears increased rapidly to 200 cars, but plums and prunes decreased to 420 cars. Cherry shipments from western states held steady around 60 cars daily and were twice as heavy as a year ago.

Tomatoes continued weak, though shipments decreased to 1,800 cars. For the same period last season the total was only 830 cars. Texas' output dropped to 475 and Mississippi's to 630 cars. The Tennessee tomato season began very actively with 410 cars for the week, and Arkansas' movement increased to 110. Prices of tomatoes were lower than the preceding week.

Movement of string beans, mostly from Maryland and Virginia, decreased during the week, but cucumber shipments totaled nearly 500 cars, chiefly from the Carolinas and Arkansas. Green peas were in light supply, and bushel hampers from California sold at \$2.75-\$3 in Pittsburgh. Bushel baskets of green corn from Texas and crates from other southern sections ranged \$1.75-\$2.50 in consuming centers.

With the Tennessee cabbage season approaching its end, and Maryland about done, combined output of 18 states dropped sharply to 380 cars. Ohio furnished 170 cars, and Maryland 55 cars. First movement was reported from Iowa.

CARLOT SHIPMENTS

	June 24-30 1928	June 17-23 1928	June 26 July 2, 1927	Total this season to June 30	Total last season to July 2	Total last season
Apples (1928 crop)	174	37	112	218	309	92,946
Apples (1927 crop)	106	167	44	92,946	132,649	132,649
Asparagus.....	19	30	18	2,779	2,122	2,122
Cabbage.....	380	740	292	16,912	15,287	39,026
Cantaloupes.....	2,327	2,499	3,160	14,095	14,027	39,286
Carrots (1928 season) ..	131	96	(a)	5,060	(a)	6,529
Cherries.....	379	372	172	1,930	845	1,469
Mixed deciduous fruits ..	170	171	208	845	829	5,405
Mixed vegetables.....	439	499	2,488	20,094	19,664	35,045
Peaches.....	689	641	2,535	1,691	6,801	41,553
Pears.....	196	3	3	199	3	18,712
Peas.....	48	50	110	2,043	2,655	4,148
Peppers.....	135	113	82	2,251	1,663	2,824
Plums and prunes.....	421	556	383	1,901	1,122	5,983
Strawberries.....	76	394	156	18,427	17,764	17,893
String beans.....	244	312	140	6,596	5,177	6,481
Tomatoes.....	1,787	2,406	830	10,767	10,226	32,612

(a) Unavailable

Peaches in 1928

The Bureau of Agricultural Economics of the U. S. Department of Agriculture has released a very comprehensive report on peaches, which should be of interest to all canners of peaches and other fruit.

The report gives a summary of crop prospects for 1928 as compared with previous years; a survey of peach trees in various sections; estimated production of peaches; shipments and peaches used for canning. The following quotations are taken from this report.

"If present prospects are fulfilled, the 1928 peach crop will be next to the heaviest ever produced. It may slightly exceed the 1915 crop of 64,097,000 bushels and may be only 5,700,000 bushels or 8% lighter than the record crop of two years ago. According to June 1 condition, there were prospects of 64,186,000 bushels of peaches this year.

"The crop will require careful grading and wide distribution to insure a successful season, for shipments of possibly 55,000 cars, besides thousands of carloads by truck, have to be marketed during the next four months. If the volume closely approaches that of 1926, as many as 45,000 cars may require handling during July and August, against 25,000 cars during those two months from the light crop of 1927."

"The East had 31,000,000 bushels in 1926, about 17,000,000 in 1927, and this year expects 28,000,000 bushels. The central area had 12,000,000 bushels two years ago, 6,000,000 last season, and expects 7,700,000 this year. Western states produced 26,000,000 bushels of peaches in 1926, about 22,600,000 in 1927, and may have 28,000,000 in 1928. In a general way, prospects

are poorest in the intermediate group of States from Delaware through the Ohio Valley to Missouri."

"Georgia, with an expected crop of 10,000,000 bushels, may have two-thirds more peaches than in 1927 and slightly more than in 1926. North Carolina, with possibly 2,450,000 bushels, would have almost twice as many peaches as last season and would also exceed its 1926 record. California expects a bumper crop of 25,000,000 bushels. Nine western States together may have 28,233,000 bushels, or 45% of the total production, where as last year, the West had about half the total.

"In proportion to the size of the crop, eastern peach shipments are considerably heavier than those from Western states. Georgia, for example, usually ships 75% or 80% of its total production, while fresh peach shipments from California points are only 30% of the crop in that State, and many of the California shipments are to nearby canneries."

"Georgia is by far the leading State with respect to shipments of fresh peaches. During the last four years, Georgia's output has ranged from 12,000 to nearly 18,000 cars. Only once in these four years has California exceeded Georgia in movement of fresh peaches and that was last season."

"California is credited with at least 95% of the total United States pack of canned peaches. About 43 cases of canned fruit are obtained from 1 ton of No. 1 fresh peaches. The following figures are of interest:

CALIFORNIA PEACH CANNER'S PACK STATISTICS (Cases)

Variety	1927	1926	1925	1924
Freestones	320,812	817,319	1,198,314	963,621
Clingstones	10,829,681	13,654,758	9,258,587	5,366,598
Total	11,150,493	14,472,077	10,456,901	6,330,219

"The production of 11,150,000 cases of canned peaches in California during 1927 required 260,000 tons of fresh fruit.

"In 1927, the estimated bearing acreage of California peaches was 150,822 acres, compared with 128,350 in 1926. The California Crop Reporting Service estimates that a total of 153,540 acres of peaches are in bearing for the 1928 season and that the plantings in 1927 amounted to 7,677 acres. Of the 150,822 acres bearing in 1927, about 71,335 were of the freestone varieties and 79,487 acres were clingstones. At the present rate of increase, there is evidence that by the year 1930 California may have 95,000 bearing acres in clingstone peaches. Freestone varieties probably will show a slight decrease, but, on the other

hand, the experience of last season may stimulate the planting of these varieties suitable for shipment fresh.

"The 1928 production of peaches of all varieties in California will be about 602,000 tons, according to estimates of the State Agricultural Statistician. This may be compared with 492,000 tons produced in 1927 and 541,000 tons in 1926. Based on the present outlook, it is believed that the total production of clingstone peaches will approximate 395,000 tons. The 1928 production of freestone peaches is forecast at 207,000 tons. Last year's crop was estimated at 170,000 tons and that of 1926 at 214,000 tons.

"A better quality product can reasonably be expected this season, as the Georgia Legislature passed a standardization law, requiring all closed packages to be stamped with the grade, the variety and minimum size of fruit. The law also specifies for several varieties the minimum diameter that can be shipped under the various grades. The United States grades for peaches have been adopted."

"All peaches not meeting the grade and size specifications are required to be stamped 'Unclassified.' Thinning has been general over the State of Georgia, as all growers have been impressed with the necessity of producing well-sized fruit in order to meet the specifications of this new law.

"A general feeling prevails in Georgia that, through the new law and rigid inspection, growers and shippers will curtail the shipment of unclassified fruit and will ship only well-graded and good-sized peaches. This has added materially to the confidence in the outcome of the present peach season in Georgia.

"Experiments were made in recent years in the shipping of Georgia and North Carolina peaches to British markets. Additional shipments are scheduled to go abroad this season. Most of the exports of fresh fruit, however, are to Canada. The United Kingdom, Cuba, Canada and Germany take most of the exports of canned peaches, while dried peaches are sent chiefly to the United Kingdom, Germany and Canada. Demand changes, of course, from season to season.

EXPORTS OF PEACHES FROM UNITED STATES

Calendar Year	Fresh Peaches	Dried Peaches	Canned Peaches
	Pounds	Pounds	Pounds
1927	17,739,440	6,516,966	78,200,150
1926	14,483,509	5,334,909	66,599,128
1925	16,225,449	4,412,222	84,749,086
1924	16,074,347	12,551,867	65,851,366
1923	15,049,098	4,655,852	40,244,591

Suggestions on Packing Red Sour Cherries

In suggestions to canners of red sour pitted cherries, Charles H. Stephenson of the Food, Drug and Insecticide Administration of the U. S. Department of Agriculture, stresses the fact that all red sour cherries should be hand sorted. The best results, he states, are obtained with a slowly-moving endless belt 10 to 12 feet long, running not over 12 feet per minute. A summary of his suggestions to get a good pack, follow:

1. Test all deliveries and do not take any maggoty fruit. This is important. Too many packers do not know just what they are buying. Big losses have been sustained by some packers from lack of care at this point.
2. Do not hold fruit on the platform for any length of time. If it cannot be run promptly, then store it in water.
3. Do not attempt to sort on stationary tables. This is a very inefficient thing to do.
4. Sort on short, well-lighted, endless belts.
5. Use six sorters to a belt.
6. Do not run belts much over 12 feet per minute.
7. Have enough belts so that none will be overcrowded with fruit.
8. Test cans frequently for bad, spotted, moldy fruit.
9. Have a head sorter who is responsible for the quality of the sorting.
10. Test for pits frequently. When they are running over 5 to a No. 10 can, stop the pitter and correct the fault.

Carbohydrate Content of Water-Packed Foods for Diabetic Patients

Inquiries are occasionally received as to the carbohydrate content of water-packed foods for diabetic patients. The following table was compiled from analyses made in the chemical laboratory of the Potter Metabolic Clinic at Santa Barbara, Calif., and published in the *Journal of Metabolic Research*:

FRUITS		
	Number of brands	Available carbo- hydrate per cent
Apricots	4	6.27
Berries (blackberries and loganberries)	4	4.94
Raspberries	1	5.00
Strawberries	1	5.00
Cherries	3	5.03
Grapefruit	1	6.1
Peaches	7	4.95
Pears	5	4.5
Pineapple	5	9.5
Quince	1	4.3

VEGETABLES

Asparagus	1	1.8
Beans:		
Lima	1	7.5
String	1	.57
Stringless	1	.67
Corn	2	13.25
Peas	1	5.4
Pumpkin	2	4.0
Rhubarb	1	1.3
Spinach	1	2.4
Tomatoes	2	2.8

Rate Complaint Filed

A complaint filed with the Interstate Commerce Commission (Docket 21122) asks the establishment of reasonable rates on canned fruits, vegetables, other edibles and condiments from Newport, Tellico Plains, and Sevierville, Tenn., to points in North and South Carolina.

Prices of Farm Products

The index of the general level of farm prices declined during the period from May 15 to June 15, from 148 to 145 per cent of the pre-war level. At 145 the index is 15 points above June, 1927, and at the highest June figure since 1925. The decline in the general level of farm prices is due to the decline in prices of practically all commodities included in the index. Grains declined 8 points; fruits and vegetables, 13 points; meat animals, 1 point; dairy products, 2 points; poultry products, 1 point; and cotton and cottonseed 4 points.

Semi-Annual Index of Information Letter

In this week's issue is printed the index of Information Letters Nos. 241 to 264 inclusive, covering the first six months of 1928. The index makes the inside four pages of the letter, so that those who are preserving the letters in looseleaf binders can remove the index pages and place them in the binder following the issue of June 30.

Foreign Trade Notes

The following items are based on information secured through the Foodstuffs Division of the U. S. Department of Commerce:

Canned fruit in New Zealand.—California fruits seem likely to be absorbed before the 1928 crops are ready. The preferential tariff in New Zealand is decidedly helpful to the Australian canners as against Americans, but the sale of American canned fruits continues strong.

Crayfish canning in South Africa.—About 14 crayfish canneries are now operating on the south and southwest coasts of the Cape Province, and discovery of a new crayfish bed, along with an increasing export trade, indicates that the industry may be considerably expanded. The principal export markets are France and the United Kingdom.

Fish importation into the Dominican Republic.—Canned fish valued at \$91,421 was imported into the Dominican Republic in 1927. Canned salmon figured largely in these importations.

Netherlands East Indies fish imports.—In 1927 imports of sardines into the Netherlands East Indies were valued at \$707,171, of which the United States furnished \$587,717. Salmon imports totaled \$129,567, the United States supplying \$51,895. Imports of both sardines and salmon were considerably greater in 1927 than in the previous year.

New canned fish products.—A fish canning plant recently established in Halifax, N. S., plans to put out one product called "A Fish Dinner" composed of fish, potatoes, onions, and seasoning; another product called "Fish Chowder" is somewhat similar, except that the fish is minced with vegetables and a quantity of milk added.

South African food law enforcement.—A more rigid inspection and subsequent enforcement under new food regulations projected for early enactment by parliament is being predicted in South Africa as the result of rather sensational disclosures in evidence recently given by experts before the committee considering the bill. The most serious charges were lodged against South African manufacturers of foodstuffs, and very little reference was made to imported products.

Publications Noted

Candy distribution.—The Foodstuffs Division of the Bureau of Foreign and Domestic Commerce has issued a 50-page report on candy distribution in the United States, based on a national survey conducted by the Department of Commerce in cooperation with various confectioners associations and the trade press.

The report emphasizes the prevalence of such conditions as excess plant capacity; improper plant location; violent fluctuation in costs of raw materials; summer slack season involving the support of 12 months' overhead expense by a 9 months' sales period; multiplication of sales accounts and corresponding diminution in sales per individual account, in turn involving higher selling costs; high percentage of shipments in less-than-carload

lots at relatively high freight rates; the general tendency of candy manufacturers to seek distant markets while neglecting more logical sales areas in their immediate vicinity; a business mortality rate of 21 per cent, mostly among weakly capitalized firms; and general decline in the prices received by the manufacturers for their goods under severe competitive conditions, indicating excessive competition.

The confectioners have requested continuation of the survey work for two years more.

Oyster industry.—The United States Department of Agriculture has issued as Technical Bulletin No. 64, a 76-page pamphlet dealing with the oyster industry in the United States. The bulletin is entitled "Bacteriology and Chemistry of Oysters, with special reference to Regulatory Control of Production, Handling, and Shipment" and contains the chemical composition of oysters, scientific methods of examination, and discusses certain problems relating to production, handling, purification, washing, packing and shipping oysters.

Samples and advertising.—The Bureau of Foreign and Domestic Commerce has issued as Trade Information Bulletin No. 557, a 53-page report prepared by the Division of Foreign Tariffs on the regulations governing the shipment of samples and advertising matter to the United Kingdom and British possessions.

Poor Cherry Crop in Naples, Italy

The cherry crop in the Naples district in Southern Italy has been very poor this year due mainly to the super-abundance of rainfall in May, according to a report from the American Consul at Naples.

It is reported that the quantity of the cherry crop for this particular district will be smaller than usual and only about 73 per cent of that of last year. Not only is the production small but the quality of the cherries in general is stated to be quite inferior, the crop consisting of a high percentage of spotty, wormy and otherwise imperfect fruits.

Owing to the smaller production and the demand from canners, the present price of cherries at the country place of sale in the Province of Naples is very high and is reported to average about \$6.00 per 100 pounds. The market for cherries in the Naples district is firm with a slight tendency towards increase in price.

United Kingdom Canned Foods Market

Imports of canned fruits during the past three months were over fifty percent greater than during the same period last year

and more than three times that for the same period in 1926, according to cabled information of June 29 from the American Commercial Attache at London. The movement into consumption is reported good and the market position sound. Canned tomato prices are hardening owing to the reports of damage to the Italian crop. A shortage in the pear supply was relieved by arrivals of fairly substantial quantities of the new pack of South African and Australian fruit.

Fruit Canning in Australia

The fruit canning companies in Victoria have had a particularly busy year so far in 1928, due to the heavy fruit crops, according to a report from the American Consul at Melbourne. It is estimated that 18,000,000 cans will be packed in the Goulburn Valley District compared with 13,000,000 cans last year. The quality of the fruit is said to be up to average. The canning companies are reported to have had a difficult task, from an economic standpoint, due to a price war between the private and cooperative companies. Local prices for canned peaches and apricots have been reduced by about fifty cents a dozen tins, although there was no reduction in the price paid for fruit to the growers as compared with the preceding season.